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DEPARTMENT FOR NEA/ELA AND PM/RSAT
OSD FOR AGUIRRE
CENTCOM FOR AMMONS

E.O. 12958: DECL: 07/16/2018
TAGS: [PARM](#) [PREL](#) [MASS](#) [MARR](#) [EG](#)
SUBJECT: COUNTRY TEAM ASSESSMENT FOR THE RELEASE AND
COPRODUCTION OF THE 120MM TACTICAL AMMUNITION (M830A1, KEW
A2, AND M1002) TO EGYPT

REF: A. EGYPTIAN PROCUREMENT OFFICE LOR 28 FEB 05
[1](#)B. PRICE AND AVAILABILITY DATA (EG-B-PUH)

Classified By: A/DCM Dolores Brown for reason 1.4 (b).

[1](#)1. (U) Background:

a. In Feb 99, the U.S. and Egypt concluded an MOU for the co-production of M865 and M831A1 120mm Tank Training Ammunition. The associated foreign military sales case (EG-B-NFP) was implemented in Nov 00 and was assigned to the U.S. Army Joint Munitions Command (JMC), Rock Island IL, for execution. JMC awarded contracts in Jul 02 to General Dynamics) Ordnance and Tactical Systems (GD - OTS) to facilitate a Load, Assembly, and Packaging (LAP) facility (Factory 81), a PA116 Container line, a Case Base and Seal Assembly, Metal Parts, and associated component sets (Factory-99). JMC also awarded Alliant Techsystems (ATK) a contract to facilitate Combustible Cartridge Case facility (Factory-18), Primer and Tracer lines (Factory-45), and to establish a Computer Data Acquisition System a Test Range, a 120mm static gun system which are located at the Central Shooting Range (CSR).

b. To date case EG-B-NFP has had one (1) modification and four (4) amendments. A follow on support case was added in 2005; EG-B-UXJ; with one (1) amendment this year. All of the amendments have been implemented and the total FMS case value for the Training Ammunition Co-production Program is \$79.9M.

c. USASAC is currently amending the existing MOU to add the coproduction of the M830A1, KEW-A2 tactical rounds, and the M1002 tactical training round (replacing the existing M865 training round). GD-OTS and ATK remain the primary U.S. contractors and will provide the required equipment upgrades, raw materials, technical assistance support as they did during the training ammunition co-production effort.

[1](#)2. (U) Reason the purchaser desires the articles or services:

The Egyptian Army desires to expand its inventory of 120mm tank ammunition and build military self-reliance by co-producing tactical rounds. This expansion of their ammunition is necessary in light of its expansion of its M1A1 tank fleet. Egypt is adding 250 tanks to its M1A1 fleet through Increments 9 and 10. These tanks are currently in production.

[1](#)3. How the article or services would affect the recipient's force structure: This co-production effort will have no affect on Egypt,s military force structure.

14. (S) How the articles or services would contribute to both the U.S. and the recipient's defense/security goals:

a. (U) Egyptian Security Goals: The requested 120mm ammunition co-production will enable Egypt to partially produce its own tactical tank rounds. (It will still rely on the U.S. to provide the firing pins and other components to have a full production capability.) This capability will allow Egypt's M1A1 tank crews to engage and destroy unarmored and light-armored vehicles on the battlefield. Without main-gun ammunition, the M1A1 has limited combat capabilities.

b. (S) U.S. Security Goals:

(S) (1) This procurement will strengthen the U.S.-Egyptian mil-to-mil relationship at a time when we rely heavily on Egyptian cooperation for Suez Canal transits and over-flight rights that are critical to Operations Iraqi Freedom and Enduring Freedom. It will also demonstrate USG commitment to remain as Egypt's primary military partner and discourage it from pursuing stronger military ties with Russia or China.

(S) (2) This procurement is consistent with DOD's Security Cooperation Guidance as it enhances the territorial security of one of our regional allies. It directly supports three of CENTCOM's Security Cooperation objectives for Egypt: (a) strengthening regional stability, (b) enabling allies and partners, and (c) protecting US and partner interests. It also supports two of CENTCOM's Security Cooperation Desired Effects (SCDE) for Egypt:

-- SCDE 3.2. "Support the defense modernization and

transformation of allies or partners to reduce their vulnerability to external aggression and coercion."

-- SCDE 4.2 "Help reform the defense establishment of selected countries...improve their capacity to operate independently or in coalition with US forces...improve a country's ability to manage its defense resources."

15. (U) Justification for the type and quantity of articles or services requested: The government of Egypt justifies this program in terms of military and economic / commercial considerations. Militarily, the program will support its goal of industrial self-reliance and its ability to meet future tactical ammunition requirements for its M1A1 fleet. Economic considerations include significant cost savings once the production effort begins due to lower Egyptian labor rates and reduced Trans-Atlantic shipping costs. Capitalization on the present high state of technology at existing 120mm factories and continued utilization of an experienced and trained labor force are major considerations that should be taken into account. The majority of existing facility equipment will also be used in the production of similar ammunition components significantly reducing start-up costs. The 120mm factories have proven to be capable of producing training ammunition and components at all four (4) of the production facilities. Production oversight from the USG, National Organization of Military Production (NOMP), and the Egyptian Army can be credited for the success that the training ammunition co-production program has enjoyed over the past few years. OMC firmly believes that the existing production factories are capable of co-producing tactical ammunition if given the opportunity. Egyptian Army requests the co-production of the following tactical 120MM Ammunition: 10,000 M830A1 rounds, 10,000 KE-W A2 rounds, and 20,000 M1002 rounds in support of its M1A1 fleet.

16. (U) Combatant Commander's concurrence to the introduction of a new war fighting capability to the nation or region: Combatant Commander's assessment to follow separately, if required.

17. (U) Anticipated reactions of neighboring nations: Release and co-production of 120 mm tactical cartridges will

not affect the regional balance of power; nor will it cause negative reactions from any of Egypt's neighbors. We do not assess this transfer to have any negative impact on Israel's qualitative military edge.

¶18. (U) Assessment of the nation's ability to account for, safeguard, operate, maintain, and support the articles: (S//NF) Although DIA has assessed that Egypt poses a medium-to-high overall technology transfer risk to controlled U.S. military technology, we believe that the risk of transfer of the technology of this particular ammunition and its associated production technology is very low. Egypt signed a general security of information agreement with the U.S. and, as a customer, has in general protected the sensitive technology of other U.S. weapons systems.

¶19. Training required either in-country or in the United States and anticipated reaction resulting from the presence of U.S. trainers in-country: No additional training required.

¶10. (U) Possible impact of any in-country U.S. presence that might be required as a result of providing the article: OMC expects to continue the assistance of 1 USG technical assistant from Rock Island Arsenal in Egypt to assist the Egyptians with this program.

¶11. (U) Source of financing and the economic impact of the proposed acquisition: This transfer will be financed through Egypt's Foreign Military Financing (FMF) and will not have a significant impact on Egypt's economy.

¶12. (U) Human rights considerations relevant to the proposed acquisition: The Egyptian military has no history of human rights abuses and is under civilian control. There are no human rights considerations that would preclude the release of ammunition to the Egyptian military.

¶13. (U) Plan for end-use monitoring and plan for compliance verification: OMC Egypt has a robust Golden Sentry Program. The Golden Sentry point of contact, working in close cooperation with the security assistance program officer,

will review and maintain a copy of the purchaser's physical security and accountability control plan, and stands ready to assist with or conduct inventories and inspections as required.

¶14. (U) Description of the primary mission for the units to receive the munitions: The Egyptian Army defends Egyptian territory from foreign aggression and conducts security operations to include counter-terrorism operations, protection of the Suez Canal, peace-keeping and force protection.

¶15. (U) Extent of anti-terrorist missions for the units to receive the munitions: The Egyptian Army has a homeland and border security mission.

¶16. (U) Additional information in support of this transfer request: Egypt is key to U.S. foreign policy and national security goals in the Middle East region and has received major economic and military support from the U.S. Egypt has played a major role in the Middle East peace process and has fostered stability by acting as a reliable coalition partner through participation in Desert Shield/Storm, support for other U.S. military operations in the region, and participation in various peacekeeping projects around the world. Egypt provided significant operational support to U.S. and other forces in its continuous participation in Bright Star exercises and other U.S. lead efforts. Egypt also provided transit over flight rights and other support for Operation Enduring / Iraqi Freedom. Release and approval to co-produce the M830A1, KEW-A2 and M1002 rounds would have a major positive political impact here at a key moment in U.S.-Egypt relations. Co-production of the ammunition in Egypt also would enhance the modernization efforts for the M1A1 Tank program and increase its interoperability with the U.S.

armed forces and other coalition partners in the Gulf Region, thus enabling Egyptian forces to reduce dependence and utilization of allied military assets in any coalition operation.

¶17. (U) Country Team Recommendation. That the U.S. Government approve this co-production effort. The tactical ammunition co-production program meets stated Egyptian goals and objectives and will pay major dividends in the coming years. This is a coordinated mission position.

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